

**DEPARTMENT OF  
CANNABIS REGULATION**

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April 10, 2020

The Honorable City Council  
City of Los Angeles  
City Hall, Room 395  
Los Angeles, California 90012

Attention: Rules, Elections, and Intergovernmental Relations Committee

Dear Honorable Members:

**SUBJECT: PERFORMANCE AUDIT AND REVIEW OF THE DEPARTMENT OF CANNABIS  
REGULATION'S PHASE III ROUND 1 LICENSING PROCESS**

**SUMMARY**

The Department of Cannabis Regulation (Department) has received the "Department of Cannabis Regulation's Phase III Round 1 Licensing Process" Audit (Audit) conducted by Sjoberg Evashenk Consulting, Inc. (Auditor) and accepts the findings and recommendations presented therein.

Following a thorough review of the Phase 3 Retail Round 1 application process, the Auditor found that the Department conducted the process in good faith and found no evidence of bias or unfairness. While the Auditor found that there may have been confusion arising from imprecise messaging and that 14 applicants gained early access to the licensing application, the Auditor concluded that the Department's normalization process effectively negated any benefits that those applicants received by their early access.

Based on the Auditor's findings, the Office of the City Administrative Officer (CAO) recommended that the Department be "directed to complete the processing of Phase 3 Retail Round 1 processing and commence the necessary work required to conduct the Phase 3 Retail Round 2 process later this fiscal year." The CAO further recommends that, "In conducting the next licensing process, Department should take into account the Auditor's recommendations relative to improving the process for future rounds of licensing applications."

Although the Department agrees that its normalization process was reasonable, it acknowledges that the process and the policy itself can and should be improved in a number of substantive ways. Improvements should be based on the information obtained from the Audit, the Department's experiences in licensing and policy implementation thus far, and, most importantly, the feedback received from the local community and stakeholders that are impacted by the process. Based on these considerations, the Department seeks a series of legislative changes to provide practical strategies designed to establish a more equitable path forward in our cannabis licensing and social equity programs. As such, the Department respectfully recommends the following legislative amendments be considered before the commencement of Phase 3 Retail Round 2.

## RECOMMENDATIONS

That the City Council, subject to the approval of the Mayor:

1. Instruct the Department of Cannabis Regulation (Department) to report back to City Council on recommended legislative amendments to the definition of "Equity Share" based on best practices and input from Social Equity Program stakeholders;
2. Request the Office of the City Attorney, with the assistance of the Department, to prepare and present an ordinance to amend Article 4 to Chapter X of the Los Angeles Municipal Code (LAMC) to:
  - a. Allow Phase 3 Retail Round 1 Applicants who are eligible for further processing to receive Temporary Approval provided that the Applicant submits an Equity Plan, resubmits documents to demonstrate compliance with "Equity Share" (as to be amended), passes a pre-licensing inspection, receives authorization from the State, submits required attestations and indemnification agreements, and clears a background check through Live Scan for all Owners;
  - b. Allow Social Equity Individual Applicants who submitted an application during the 14-day Phase 3 Retail Round 1 Application Window and were deemed ineligible for further processing, to receive priority processing for a new application for one commercial cannabis activity not subject to Undue Concentration findings (i.e., non-volatile manufacturing, distribution, or delivery) and provide them up to one year to submit a complete annual license application;
  - c. Establish new eligibility criteria for the Social Equity Program for Phase 3 Retail Round 2 and all future Social Equity Program application processing, as follows<sup>1</sup>:
    - i. Amend the definition of "Low Income" to mean low income as referenced in the annual U.S. Department of Housing and Urban Development (HUD) income limits<sup>2</sup> based upon the Area Median Income (AMI) for Los Angeles County, and which considers household size and assets;

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<sup>1</sup> Individuals who have been previously verified as Tier 1 and/or Tier 2 Social Equity Applicants and wish to participate in the Phase 3 Delivery application processing will not have to reapply for verification and shall be required to own the requisite percentage of Equity Share as required at the time of verification.

<sup>2</sup> The Department of Housing and Urban Development (HUD) sets income limits that determine eligibility for assisted housing programs. HUD develops income limits based on Median Family Income estimates and Fair Market Rent area definitions for each metropolitan area, parts of some metropolitan areas, and each non-metropolitan county.

- ii. Amend the definition of “Disproportionately Impacted Area” from Zip Codes to Police Reporting Districts<sup>3</sup> as established in the Revised Social Equity Analysis with 10-years of residency to qualify;
  - iii. Amend the definition for “Social Equity Individual Applicant” to mean a natural person who meets any two out of the three following criteria, as amended: 1) Low Income; 2) Disproportionately Impacted Area; and, 3) Cannabis Arrest or Convictions;
- d. Require Social Equity Individual Applicants seeking to participate in Phase 3 Retail Round 2 and all future Social Equity Program applications processing to:
  - i. Own at least 51 percent “Equity Share” (as to be amended) in the Social Equity Applicant seeking a License;
  - ii. Qualify under the newly defined eligibility criteria; and,
  - iii. Exempt from this provision the following Social Equity Individual Applicants seeking to participate in LAMC Sec. 104.06.1(f): 1) Delivery Pilot Program, 2) Phase 3 Retail Round 1 Social Equity Individual Applicants that received an ineligibility letter for further processing because its Business Premises was in a geographic area of Undue Concentration limits or within a 700-foot radius of another Type 10 application, and 3) Phase 2 Applicants eligible for processing pursuant to Section 104.08.
- e. Amend the Phase 3 Retail Round 2 process to determine Social Equity Individual Applicants eligible for further processing by lottery. The determination of eligibility to participate in the lottery will require applicants to be verified under the new definition of Social Equity Individual Applicant and clear a background check through Live Scan. Social Equity Individual Applicants who are deemed eligible will then be entered into a lottery to determine who is eligible to apply for the available retail commercial cannabis activity licenses;
- f. Allow Social Equity Individual Applicants who have been determined to be eligible for further processing by lottery up to one year to submit a complete annual license application;
- g. Allow Applicants who are eligible for further processing to receive Temporary Approval provided that the Applicant submits an Equity Plan (if applicable), submits documents to demonstrate compliance with “Equity Share” (if applicable), passes a pre-licensing inspection, receives authorization from the State, submits required attestations and indemnification agreements, and clears a background check through Live Scan for all Owners;
- h. Amend the definition of “Equity Share” based on best practices and input from Social Equity Program stakeholders; and,
- i. Require all Applicants and Licensees to submit an Equity Plan as established by the Department.

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<sup>3</sup> Los Angeles Police Department reporting districts are currently published to the City’s GeoHub (<https://tinyurl.com/ss3a7ms>). If adopted, the Department will add a layer to its online mapping tool which will allow prospective Social Equity Individual Applicants to identify which reporting district is associated with an address.



## BACKGROUND

The Department has received the Audit and accepts the findings and recommendations presented therein. The purpose of the Audit (Attachment) was to conduct a performance review of the Department's Phase 3 Retail Round 1 application process to determine whether errors occurred on the morning of September 3, 2019, when licensing began and, if errors occurred, the nature of those errors and the degree to which they were material to the first-come, first-served application process. In October 2019, the Department paused the further processing of Phase 3 Retail Round 1 applications at the Mayor's request until the completion of the Audit.

Following a thorough review of the Phase 3 Retail Round 1 application process, the Auditor found that the Department conducted the process in good faith and found no evidence of bias or unfairness. While the Audit found that there may have been confusion arising from imprecise messaging and that 14 applicants gained early access to the licensing application, the Auditor concluded that the Department's normalization process effectively negated any benefits that those applicants received by their early access.

Based on the Auditor's findings, the CAO recommended that the Department be "directed to complete the processing of Phase 3 Retail Round 1 processing and commence the necessary work required to conduct the Phase 3 Retail Round 2 process later this fiscal year." The CAO further recommends that, "In conducting the next licensing process, Department should take into account the Auditor's recommendations relative to improving the process for future rounds of licensing applications."

Although the Department agrees that its normalization process was reasonable, it acknowledges that the process and the policy itself can and should be improved in a number of substantive ways. Improvements should be based on the information obtained from the Audit, the Department's experiences in licensing and policy implementation thus far, and, most importantly, the feedback received from the local community and stakeholders that are impacted by the process. Thus, the Department seeks a series of legislative amendments, starting with those outlined in the recommendations section of this report, to improve our local licensing and social equity programs.

As to Phase 3 Retail Round 1 specifically, the Department recommends that the City create an equitable path forward for *all* those that participated in the following two ways. First, the Department recommends that the City allow Phase 3 Retail Round 1 applicants eligible for further processing to proceed with further processing (as they have concluded initial processing and paid an invoice fee) and allow them to receive Temporary Approval, subject to conditions as established. Second, the Department recommends that the City create a new category of priority application processing for those Social Equity Individual Applicants<sup>4</sup>, who participated in Phase 3 Retail Round 1 but were not determined to be eligible for further processing, to receive priority processing for one commercial cannabis activity not subject to Undue Concentration Findings (i.e., non-volatile manufacturing, distribution, or delivery), subject to conditions as established<sup>5</sup>.

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<sup>4</sup> The term "Social Equity Individual Applicant" is used throughout this response to refer to a natural person who meets certain criteria proposed herein. This term is not to be confused with a "Social Equity Applicant," which may be, but is frequently not a natural person, consisting of one or more Social Equity Individual Applicants and one or more other Persons that collectively submit an application for licensure.

<sup>5</sup> Local law also establishes limits for the number of cultivation and retail licenses that can be issued in any given Community Plan Area within the City. Once an area has reached its limit of permitted licenses, it is subject to a finding of Undue Concentration and the Department cannot accept applications located in that area unless an exemption is granted through the Public Convenience or Necessity (PCN) Process. Delivery, Manufacturing and Distribution activities are not subject to Undue Concentration findings.

For the Social Equity Program (SEP) generally, the Department recommends that the City strengthen the Program's provisions<sup>6</sup> to ensure that its purpose is fulfilled. The purpose of the SEP is to promote equitable ownership and employment opportunities in the cannabis industry to decrease the disparities in life outcomes for marginalized communities and to address the disproportionate impacts of the War on Drugs in those communities. In accordance with that purpose, the Department recommends that the City amend the SEP eligibility criteria<sup>7</sup> to more appropriately target those individuals and communities. The Department recommends that the new proposed eligibility criteria apply to all SEP application processing in the future, except delivery application processing as already established. The Department further recommends clarifying and strengthening the definition of "Equity Share" to ensure that those most impacted have unconditional and direct control of their business. Furthermore, the Department recommends that all applicants participating in the SEP be required to comply with the new Equity Share requirements once finalized, including Phase 3 Retail Round 1 applicants. Lastly, to further the City's SEP goals, the Department recommends that the City require *all* commercial cannabis applicants and licensees to submit an Equity Plan as established by the Department.

For Phase 3 Retail Round 2 specifically, the Department has two recommendations. First, the Department recommends that the application process be amended to allow Social Equity Individual Applicants to be determined eligible for further processing before they are required to secure a property and incur other business start-up costs. Second, the Department recommends that the application process be amended so that eligibility for further processing is determined by lottery, and *not* by an online, first-come, first-serve process.

It is the Department's position that these recommendations provide practical strategies designed to establish a more equitable path forward in our cannabis licensing and social equity programs. As such, the Department respectfully requests that the City Council support the above recommendations before the commencement of Phase 3 Retail Round 2.

The Department thanks the City Council for the opportunity to share our recommendations and looks forward to working with the City Council and stakeholders to continue to improve programming and our service to the City of Los Angeles.

Sincerely,



CAT PACKER  
Executive Director

CP:JK

Attachment: PERFORMANCE AUDIT AND REVIEW OF THE DEPARTMENT OF CANNABIS  
REGULATION'S PHASE III ROUND 1 LICENSING PROCESS CAO REPORT

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<sup>6</sup> Table 1 outlines the Original and Proposed Social Equity Program Definitions.

<sup>7</sup> Table 2 outlines the Original and Proposed Social Equity Program (SEP) Eligibility Criteria to be utilized by Application Processing Phase.

Table 1. Original and Proposed Social Equity Program Definitions

	Original	Proposed
<b>Low Income</b>	Means 80 percent or below of Area Median Income for the City based on the 2016 American Community Survey and updated with each decennial census.	Means low income as referenced in the annual U.S. Department of Housing and Urban Development (HUD) income limits based upon the Area Median Income (AMI) for Los Angeles County, and which considers household size and assets.
<b>California Cannabis Arrest or Conviction</b>	Means an arrest or conviction in California for any crime under the laws of the State of California or the United States relating to the sale, possession, use, manufacture, or cultivation of Cannabis that occurred prior to November 8, 2016. An arrest, prosecution or conviction for a violation of Proposition D, as codified in former Article 5.1 of Chapter IV of the Los Angeles Municipal Code, is not a California Arrest or Cannabis Conviction.	No change.
<b>Disproportionately Impacted Area (DIA)</b>	Means eligible zip codes based on the "More Inclusive Option" as described on page 23 of the "Cannabis Social Equity Analysis Report" commissioned by the City in 2017, and referenced in Regulation No. 13 of the Rules and Regulations.	Means Police Reporting Districts as established in the Revised Social Equity Analysis with 10 or more years of cumulative non-continuous residency required to qualify.
<b>Equity Share</b>	Means a share of all of the following: (i) a business's profits, including dividends, distributions or other payments; (ii) the proceeds of a sale of a business's assets, liquidation of a business, merger of a business into another business, or another transaction that would constitute the end of an original business; and (iii) the voting rights on fundamental decisions relating to the business.	Definition to be established based on best practices and input from Social Equity Program stakeholders.



<p><b>Social Equity Individual Applicants</b>  (Natural Person)</p>	<p>A Tier 1 Social Equity Applicant shall meet the following criteria at time of applying for a License: 1. Low Income and prior California Cannabis Arrest or Conviction; 2. Low Income and a minimum of five years' cumulative residency in a DIA.</p> <p>A Tier 2 Social Equity Applicant shall meet the following criteria at time of applying for a License: 1. Low Income and a minimum of five years' cumulative residency in a DIA; or 2. a minimum of 10 years' cumulative residency in a DIA.</p>	<p>Define a "Social Equity Individual Applicant" to mean a natural person who meets any two out of the three following criteria, as amended:</p> <ul style="list-style-type: none"> <li>• Low Income</li> <li>• 10 or more years of cumulative non-continuous residency in DIA(s)</li> <li>• Cannabis Arrest or Convictions.</li> </ul>
<p><b>Social Equity Applications</b>  (Entity Applying for a License)</p>	<p>A Tier 1 Social Equity Applicant shall own no less than a 51 percent Equity Share in the Person to whom the License is issued.</p> <p>A Tier 2 Social Equity Applicant shall own no less than a 33 1/3 percent Equity Share in the Person to whom the License issued.</p> <p>A Tier 3 Social Equity Applicant shall enter into a Social Equity Agreement with the City to provide capital, leased space, business, licensing and compliance assistance for a period of three years to Persons who meet the criteria to be a Tier 1 Social Equity Applicant or Tier 2 Social Equity Applicant.</p>	<p>Social Equity Individual Applicant(s) shall own no less than a 51 percent Equity Share in the Person (Entity Applying for a License) to whom the License is issued.</p>

Table 2. Proposed Social Equity Program (SEP) Eligibility Criteria by Application Processing Phase

Application Processing Phase	Original or Proposed Social Equity Individual Applicant Eligibility Criteria
Phase 1 Existing Medical Marijuana Dispensaries (EMMDs)	N/A
Phase 2 Non-Retail Suppliers of EMMDs	Original
Phase 3 Retail Round 1	Original
Phase 3 Retail Round 2	Proposed
Phase 3 Delivery – Pilot	Original
Phase 3 Delivery – General	Proposed
Manufacturing – General	Proposed
Distribution – General	Proposed
Public Convenience and Necessity (PCN)	Criteria in effect when the Applicant's PCN request is approved by City Council

**ATTACHMENT**



**CITY OF LOS ANGELES**  
INTER-DEPARTMENTAL CORRESPONDENCE

0220-05716-0000

Date: March 27, 2020

To: The Mayor

Cc: The Council

From: Richard H. Llewellyn, Jr., City Administrative Officer

Subject: **PERFORMANCE AUDIT AND REVIEW OF THE DEPARTMENT OF CANNABIS  
REGULATION'S PHASE III ROUND 1 LICENSING PROCESS****SUMMARY**

In November 2019, this Office was directed by the Mayor's Office to utilize an independent, third-party auditor to conduct a performance audit and review of the Department of Cannabis Regulation's (DCR) Phase III Round 1 licensing process in response to concerns raised by applicants and other members of the public about the fairness of the Phase III Round 1 licensing process. This Office selected Sjoberg Evashenk Consulting (Auditor) from a list of auditors with existing contracts with the City, and the review of the DCR Phase III Round 1 licensing process commenced in January 2020. This report presents the final report from the Auditor (Attachment) for consideration.

The Auditor found that errors in the DCR process allowed certain applicants early access to the application system. The DCR then created a "normalization process" to level the playing field and eliminate any advantage given to these early applicants. The Auditor determined that the DCR's "normalization process" was a reasonable way to address the errors and specifically was NOT making a recommendation that DCR use a different "normalization process." Finally, the Auditor found that the DCR conducted the Phase III Round 1 licensing process in good faith, and that there was no evidence of bias or unfairness.

In light of the Auditor's findings that the existing "normalization process" created a fair and unbiased procurement process, this Office recommends that the DCR be directed to complete the processing of Phase III Round 1 license applications and commence the necessary work required to conduct the Phase III Round 2 licensing process later this fiscal year. In conducting the next licensing process, DCR should take into account the Auditor's recommendations relative to the improving the process for future rounds of licensing applications.

## Summary of Audit Findings

As detailed in the Attachment, the following is a summary of the findings of the Auditor's report. The Auditor found:

1. No evidence that DCR's re-enabling of user accounts benefited any users over any other users and that the normalization process utilized by the DCR effectively negated any benefits for applicants that accessed the application before 10:00 AM the morning of September 3, 2019;
2. There are two distinctive steps in the application process that should be identified: 1) signing-on to the Accela application software platform (Accela platform); and, 2) accessing the licensing application;
3. A total of 14 applicants were able to access the licensing application prior to the 10:00 AM opening time. This was due to two factors:
  - a. Nine applicants had their accounts enabled prior to 10:00 AM due to manual password resets performed by DCR. Two of these applicants accessed the licensing application before 10:00 AM;
  - b. 222 applicants signed-on to the Accela platform subsequent to the re-enabling of all accounts around 9:59:46. Twelve of these applicants were able to access the licensing application a few seconds prior to 10:00 AM;
4. Two factors contributed to the 14 instances of early access to the licensing application:
  - a. The method of disabling and re-enabling applicants' accounts made the application process vulnerable to human error;
  - b. Imprecise messaging by the DCR contributed to the misperception by some applicants that they had to wait until 10:00 AM to sign-on to the Accela platform rather than sign-on as early as possible to be able to access the application at 10:00 AM;
5. The normalization process utilized by the DCR using the time applicants accessed the licensing application was reasonable, appropriate, and effectively negated any benefit that any applicant gained from early access to the licensing application;
6. An alternative normalization process based on sign-on times was identified based on information that became relevant in hindsight. The Auditor found that utilizing this alternative normalization process could potentially impact up to eleven applicants;
7. The alternative normalization process identified by the Auditor was found to be no more reasonable or appropriate than the process utilized by DCR;

8. The Auditor recommends that the DCR:

- a. Develop a new method to restrict user's access to the application without deactivating accounts or resetting passwords; and,
- b. Make the Accela platform available to users well in advance of future application windows to avoid confusion between the application window and the sign-on process.

**Continuation of Phase III Round 1 and Commencement of Phase III Round 2 Licensing**

Following a thorough review of the DCR Phase III Round 1 licensing process, the Auditor found that the DCR conducted the process in good faith and found no evidence of bias or unfairness. While there were issues identified related to potential confusion resulting from imprecise messaging and the early access to the licensing application by 14 applicants, the Auditor found that the DCR's normalization process effectively negated any benefits that applicants received from early access to the licensing application. Based on this information, the DCR should be directed to complete the processing of Phase III Round 1 license applications and commence the necessary work required to conduct the Phase III Round 2 licensing process and implement the Auditor's recommendations related to the application platform.

*RHL:NSC:02200142C*

Attachment: Phase III Round 1 Licensing Performance Review and Audit Report



**City of Los Angeles**  
**Office of the City Administrative Officer**

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Performance Audit of the Department of Cannabis  
Regulation Phase Three Application Process

**March 2020**



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## RESULTS

The City of Los Angeles Department of Cannabis Regulation acted in good faith to minimize the barriers faced by Social Equity Applicants during the Phase 3 Retail Round 1 application process. However, the method used to roll out the application, including the disabling and re-enabling of user accounts, was confusing and susceptible to human error. As a result, 14 Applicants started their applications before the designated Application Window, and misperceptions regarding the application start time may have led other Applicants to wait longer than needed to sign onto the Accela Portal and begin their applications.

## BACKGROUND

Created in 2017, the City of Los Angeles (City) Department of Cannabis Regulation (Department) is responsible for the administration of licensing for legal cannabis activity, including storefront retail, delivery retail, cultivation, manufacturing, distribution, and testing of commercial cannabis.

The City established three phases to process commercial medicinal and adult-use cannabis license applications:

- Phase 1 – Existing Medical Marijuana Dispensaries (EMMDs)
- Phase 2 – Suppliers of EMMDs involved in the cultivation, distribution, and/or manufacturing of cannabis products
- Phase 3 – General Licensing

Applicants for Phase 3 Retail Round 1 were pre-verified as qualifying for the Department Social Equity Program. Once approved, applications would be accepted on a first come, first served basis beginning on September 3, 2019, at 10:00 AM.

## KEY FINDINGS

- The Department and Accela, the application portal software vendor, closed access to the Accela system portal on August 28, 2019, by running a script to disable all user accounts in order to restrict potential access to the application prior to the start of the Application Window. To give Applicants access to the Phase 3 Retail Round 1 application by the Application Window start time of 10:00 AM on September 3, 2019, Accela ran a second script to re-enable all accounts around 9:59:46 AM. This allowed Applicants to sign on to their accounts and access the application; the Accela system recorded timestamps for these two events, account sign-on and application start.
- There are two distinct and separate steps that must be identified. 1) Signing onto the Accela platform; and 2) Starting the application process. There were 226 Applicants who accessed the platform, however, and more important to this inquiry, 14 Applicants that started the application process before 10:00 AM. The method of disabling and enabling accounts allowed the Applicants to access the application prior to the 10:00 AM Application Window. Two factors causing this are:
  - Manual password resets performed by the Department—between 7:42:40 AM and 9:46:26 AM, passwords were reset manually and were not re-disabled. This was found to be unintentional, but resulted in two Applicants beginning their applications early—at 9:50:12 AM and 9:56:03 AM.
  - After sign-on, no system barrier preventing Applicants from starting the application—In addition to the two Applicants described above, there were 12 Applicants that began the application process in the seconds before 10:00 AM—between 9:59:46 AM and 9:59:59 AM. There were 226 Applicants signed on to the Accela Platform prior to 10:00 AM.
- There is no evidence that any Applicant benefited over any other Applicant as a result of Accela's account re-enabling process. For those that started their application prior to 10:00 AM, the Department implemented a reasonable "normalization" process that effectively negated any benefit the early application star.
- All accounts were enabled prior to 10:00 AM and many signed-on to the Accela system portal as early as possible; however, many Applicants waited until 10:00 AM to sign-on to the portal. In fact, 321 Applicants signed-on between 10:00:00 AM and 10:00:59 AM, 154 of which signed-on within the first two seconds of the hour.
- Some Applicants appeared to wait because of what, in hindsight, was imprecise messaging by the Department. In some cases, the Department stated that the Application Window would open at 10:00 AM, and in other cases the Department stated that Applicants would be unable to sign on to the Accela portal until 10:00 AM—the latter was inaccurate.
- The potential misperception among some Applicants that they were prohibited from signing on to the Accela Civic Platform until 10:00 AM would have placed those Applicants at a disadvantage.



### RECOMMENDATIONS

This audit makes no recommendation regarding the outcome of the Phase 3 Retail Round 1 process. This audit found that while imprecise messaging and an ill-suited technique to eliminate access to the Phase 3 Retail Round 1 application prior to the Application Window led to some confusion regarding the application process, there is no evidence that the Department's process to re-enable user accounts benefited any users over any other users, and the Department's normalization process effectively negated any benefits for all 14 Applicants that accessed the application before 10:00 AM. Despite our conclusion that the resulting confusion lends legitimacy to an alternative normalization process, we found the Department's approach to normalization to be reasonable and appropriate, and we did not find alternative methods to be more reasonable or more appropriate than the adopted approach.

In order to avoid similar confusion in the future, we recommend that, when establishing upcoming Application Windows, the Department of Cannabis Regulation develop a method that restricts all users from accessing the application without deactivating accounts or resetting passwords, and make the Accela Civic Platform available to all users well before the Application Window so as not to conflate the Application Window with the platform sign-on process.

## Introduction and Background

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In March 2017, voters in the City of Los Angeles (City) passed Measure M, giving the City Council full authority to regulate cannabis-related activity within the City. Following the legalization of adult-use cannabis in the City, the City created the Cannabis Regulation Commission (Commission) and the Department of Cannabis Regulation (Department). Together, the Department and the Commission were to establish a regulated and transparent cannabis industry for the City. The Commission consists of five members appointed by the Mayor subject to City Council approval. The Commission's responsibilities are to provide oversight of the City's regulation of the cannabis industry, monitor the City's efforts relating to implementing and complying with cannabis laws and regulations, hold public hearings related to the issuance of commercial cannabis licenses within City limits, and make recommendations to the Mayor and City Council. The purpose of the Department is to administer licensing of legal cannabis activity, including storefront retail, delivery retail, cultivation, manufacturing, distribution, and testing of commercial cannabis, and to implement and administer the Social Equity Program. The Department consists of an Executive Director, two Assistant Executive Directors, a Social Equity Program Director, and 34 authorized full-time equivalent (FTE) positions.

### The Program Overview

Commercial cannabis businesses must obtain a license from the State of California and from the City before engaging in commercial cannabis activity within the City. The type of license a business must obtain depends on the type of cannabis business it intends to operate. The City differentiates between Retail Activities, both storefront and delivery, and Supply Chain Activities, including cultivation, manufacturing, distribution, and testing. An annual license and temporary approval are two forms of licenses.

The City of Los Angeles Municipal Code (LAMC) restricts commercial cannabis activity to certain locations based on zoning, sensitive use buffers, and undue concentration limits. Specifically, for storefront retail activity, undue concentration limits were determined by Community Plan Area and set at a ratio of one retail establishment per 10,000 residents. As such, it was determined that the City had the capacity to absorb approximately 250 new storefront retail businesses through the Phase 3 licensing process. In addition to these general restrictions, new storefront retail cannabis businesses may not be located within a 700-foot radius of any other storefront retail cannabis business or sensitive-use.

The LAMC establishes a three-phase structure for the processing of license applications, beginning with the licensing of existing medical marijuana dispensaries (Phase 1), followed by existing suppliers of Phase 1 businesses seeking licenses for non-retail activity including cultivation, manufacturing, and distribution (Phase 2), and culminating with the licensing of new commercial medicinal and adult-use cannabis businesses, including both storefront and non-storefront delivery retail (Phase 3). The City has already granted temporary approval to certain pre-existing cannabis businesses (i.e., medical marijuana dispensaries and associated supply chains) through the Phase 1 and Phase 2 licensing process, allowing them to operate pending the annual license application review and approval process. Ultimately, all temporary approval holders will be subject to an annual approval process. As of the end of 2019, both Phase 1 and Phase 2 have resulted in the temporary approval of 342 cannabis business licenses, with



another 362 Phase 2 applications pending. The Phase 3 application process, which is still in progress, consists of a total of five rounds; two rounds for new storefront retail business applications and three rounds for non-storefront delivery business applications. A total of 100 Applicants were to be determined eligible for further processing in Round 1, the focus of this report; and the remaining approximately 150 Applicants were to be determined eligible for further processing in Round 2, which had been planned for Spring 2020 and has been postponed until after the completion of this audit.

On April 30, 2019, the City Council instructed the Department to conduct Phase 3 Retail Round 1 in accordance with a specific timeline, which included performing a 60-day Applicant pre-vetting process for the City's Social Equity Program by May, 28, 2019 and starting to accept license applications by no later than September 3, 2019. The Application Window was to remain open for two weeks, concluding September 17, 2019. Applications received during that time would be reviewed on a "first come, first served" basis, in the order in which the applications were submitted, with the first qualifying 75 Tier 1 Applicants and 25 Tier 2 Applicants moving forward in the application process.

Individuals seeking to participate in Phase 3 Retail Round 1 were required to meet minimum requirements to be considered eligible for further processing. This included requiring Applicants to show proof of an existing lease, deed, or purchase agreement at a qualifying location, and to submit several forms, plans, and diagrams. As mentioned above, the Phase 3 Retail Round 1 application process also required Applicants to be pre-verified through the Social Equity Program, which is designed to give priority in application processing for new retail licenses and provide technical assistance and business development resources to Applicants representing communities that have been disproportionately impacted by the War on Drugs. This requirement distinguishes Phase 3 from Phase 1, which focused on, at least initially, issuing temporary approval to certain existing cannabis businesses operating within the City.

The City required Applicants to be verified as qualifying for the Social Equity Program to be eligible to apply for processing in Phase 3 Retail Round 1. The Department accepted applications and verified the eligibility of Social Equity Applicants between May 28, 2019 and July 29, 2019. The Social Equity Program drew approximately 2,200 applications, of which approximately 1,600 Applicants were determined eligible to participate in the Phase 3 Retail Round 1 process. Individuals may qualify as a "Tier 1," "Tier 2," or "Tier 1 & 2" Social Equity Applicant, based on a set of City-established criteria, summarized in Exhibit 1.

#### EXHIBIT 1: SOCIAL EQUITY PROGRAM ELIGIBILITY REQUIREMENTS

SEP Tier	Eligibility Requirements
Tier 1	Social Equity Applicants meet the following criteria 1. Low Income and a prior California Cannabis Arrest or Conviction
Tier 2	Social Equity Applicants meet the following criteria. 1. Minimum 10 years' residency in a Disproportionately Impacted Area
Tier 1 & 2	Social Equity Applicants meet the following criteria. 1. Low Income and a minimum five years' cumulative residency in a Disproportionately Impacted Area
Application Review	For an application to be eligible for priority processing, the application must meet the following criteria. 1. Tier 1 priority processing, a Tier 1 or Tier 1 & 2 Social Equity Applicant must own a minimum 51 percent equity share in the Applicant business entity 2. Tier 2 priority processing, a Tier 2 or Tier 1 & 2 Social Equity Applicant must own a minimum 33 1/3 percent equity share in the Applicant business



To support eligible applicants, the Department conducted several community trainings to prepare Applicants for navigating the Accela application platform and engaged in numerous community education programs, including city-wide workshops, approximately 250 one-on-one clinics, and online materials and training opportunities.

On Tuesday, September 3, 2019, at approximately 10:00 AM, the Department opened the Phase 3 Retail Round 1 application process using the Accela platform. To complete an application, an Applicant was required to prepare and submit the following documents:

- Executed lease agreement, purchase agreement, or property deed for business premises
- Business premises diagram
- Any and all Equity Share information to demonstrate compliance with the Social Equity Program
- A series of standard forms created by the Department to facilitate the application review, including the Ownership and Financial Interest Holder Disclosure Form, Financial Information Form, Proposed Staffing and Security Plan Form, Labor Peace Agreement Attestation, Indemnification Agreement, and Radius Map Attestation

Within the first hour of the Application Window, the Department received 656 applications. By the time the Department closed the application filing window on Tuesday, September 17, 2019, at 10:00 AM Pacific Daylight Time (PDT), the Department had received a total of 802 applications, inclusive of more than 40 test and duplicate applications that were subsequently discarded.

The first 100 applications that were submitted between September 3 and September 17 and found to comply with all requirements were considered eligible for further processing and invoiced. Department records show that all 100 invoiced Applicants paid their application fees on time. All other applications were determined to be ineligible because they were: not submitted within the top 100 qualifying applications; incomplete; a duplicate of a complete application previously submitted; and/or were for retail businesses located in an area with incompatible zoning restrictions, or that had reached undue concentration limits, and/or was within 700 feet of either an existing retail cannabis location, the planned location of a previously approved applicant, or a “sensitive-use” location, such as a school, daycare, or alcohol or drug treatment facility.

## **The Application Process**

Prior to the opening of the Application Window, the Department provided extensive guidance and informational materials to the public regarding how the application process would unfold. In a thorough tutorial video, the Department described how Applicants were to access the Accela Civic Platform, sign-on through the Accela portal, navigate to the application screen, and complete the application. Specifically, the Department recommended Applicants first complete an “Application Checklist,” which informed Applicants of the information they would need access to during the sign-on and application process, such as the Applicant’s username and password, the proposed business address and area of undue concentration, and other necessary information.

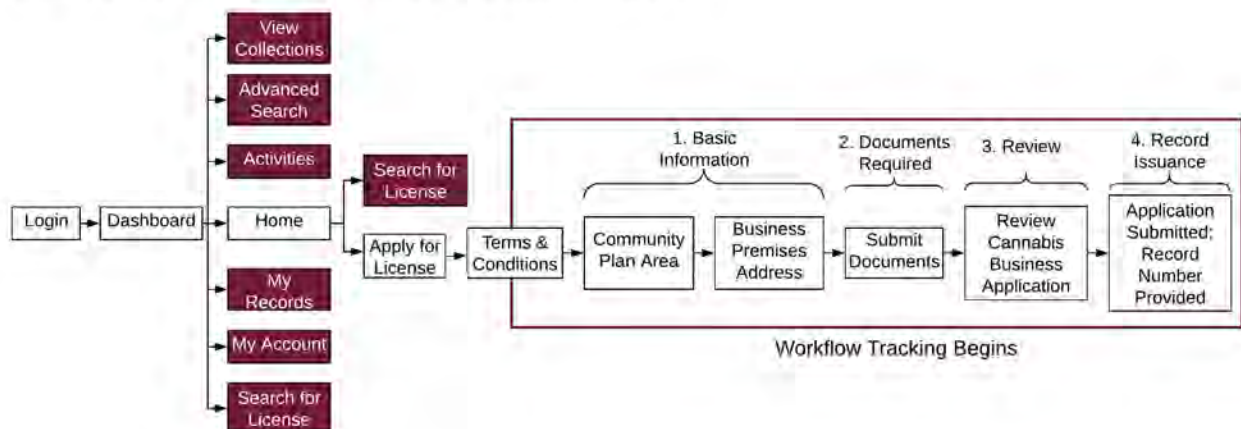


The Department informed Applicants that, on September 3, they would need to sign onto the Accela account using their user name and password. The Department repeatedly informed Applicants that they must ensure they are able to access their accounts prior to September 3 because, come September 3, if an Applicant experienced difficulties logging into their account because they did not have the correct user name and password, they would risk missing the Application Window. For instance, the Department notified Applicants that if they were blocked from accessing their account,

“... the Applicant MUST visit the [Department] office in person to update their account to grant or restore access. Applicants will need to present a government-issued ID and Social Security Card to [Department] staff in order to verify ownership of the account. It is highly recommended that Applicants confirm account accessibility before September 3, 2019 to ensure that all documents and contact information in the system are correct. It is the Applicant’s responsibility to secure their private access to the user account associated with their application in order to participate in the Phase 3 Retail Round 1 application process, which opens September 3, 2019.”

As illustrated in Exhibit 2, once signed into their account, the Applicant is taken to their “Dashboard” page. This page allows the Applicant to navigate through different elements of their account, including the Applicant’s Social Equity Application status, the Applicant’s records, and other account information. The Applicant is then instructed to navigate to the “Home” screen, which gives Applicants the option to “Apply for a License” or “Search for a License.” Applicants were instructed to click “Apply for a License,” which would take the Applicant to a page that informs the Applicant of key terms and conditions, and requires the Applicant to read and accept the general disclaimer before beginning the application. Once accepting the terms and conditions, the Applicant is instructed to click the “Continue” button. This takes the user to the actual Application and represents the start of the application process. At this point, the Applicant is instructed to navigate through different elements of the application, including identifying whether the proposed business location is located in an area of undue concentration, entering the proposed business premises address, the types of commercial cannabis activity, upload the application documents described previously, and conduct a final review of the application information. Once complete, the Applicant would be notified that the Application is submitted and provided a unique Record Number to track its status.

**EXHIBIT 2. THE PHASE 1 RETAIL ROUND 3 APPLICATION PROCESS**





## The Licensing Platform

In February 2017, the State of California selected Accela Government Systems (Accela, Inc.) to build the statewide cannabis licensing platform following its successful launch of a cannabis licensing platform in Denver, Colorado. In September 2017, the City piggybacked on the State's contract and entered into a sole source contract with Accela to develop and fully support the licensing and regulatory information system for cannabis activity in the City. Accela's Civic Platform was developed with key components necessary to automate the intake and processing of online applications, fee collection and Applicant notifications throughout the various application and license stages. As it relates specifically to the Phase 3 Retail Round 1 application process, the Accela system was designed with:

- Specific timestamping functionality for critical user activities, including user sign-on, record initiation and submission, and document upload activities. The system was designed with server-side timestamped audit functionality and audit logging capabilities.
- Record Identification Number (ID) generation to assign license Applicants a temporary application number as soon as the application started and a final Application Number when the application was submitted and recorded in the Accela database. For Phase 3 Retail Round 1, Accela and the Department established an Application Number that appears as "LA-C-19-310000-R-APP", where "LA" represents the Accela's client account for the City of Los Angeles, "C" is assigned when it is a general application, "19" is the year the application was generated, "31" represents Phase 3 Retail Round 1, "0000" represents the order in which the Record ID was generated and corresponds to the order in which the applications were started, and the "R" represents the activity (Retail Storefront).

The Application Portal (Accela's Civic Platform) is used by individuals requesting Social Equity Program Applicant Eligibility Verification, applying for a license, and/or existing licensees who wish to maintain their license (i.e., renewal, update address, update to modify address, etc.). To access the Application Portal, users are required to first register a Public User account, which includes creating a username and password for use when signing into the system.

To ensure prospective Applicants understood how to access and navigate the Application Portal during Phase 3 Retail Round 1, the Department issued numerous informational bulletins, alerts, videos, and brochures to the public and Applicants throughout the Social Equity Program pre-vetting process and application period. In the weeks leading up to the start of the Application Window, the Department instructed all eligible individuals to ensure they could sign onto their accounts prior to the opening of the Application Window and, if they could not sign on, they must have their accounts and passwords reset in person at the Department's office. Failure to do so would result in the individuals' inability to access and participate in the Phase 3 Retail Round 1 application process.

Consistent with advance noticing to potential Applicants, Accela ran a script that disabled all Phase 3 Retail Round 1 eligible user accounts in preparation of the launch of the Application Window and uploaded the final application workflow into the production environment on August 28, 2019. This process prevented all prospective Applicants from signing onto the Application Portal, while allowing Accela and Department staff continued access in the production environment of Accela's Civic Platform as they prepared for the



Application Window and tested the application itself. In anticipation of the 10:00 AM opening of the application, Accela ran another script that re-enabled all user accounts around 9:59:46 AM. At that point in time, all prospective Applicants were able to sign onto the Application Portal, navigate to the application start page, and access the application—navigating to the application page typically took Applicants about 32 seconds, though some navigated to the application page in just a few seconds.

### **Concerns Over Early Access to the Phase 3 Retail Round 1 Application**

Once Accela had uploaded the final application workflow into Accela's Civic Platform's production environment on August 28, 2019, Department management continued end-user testing of the system to ensure it was working properly. This included submitting test applications. During this testing on the morning of September 3, 2019, the Department could observe the results of their submission of test applications on the backend, but also observed applications submitted by two individuals not associated with Accela or the Department. Both individuals started and submitted applications before Accela had re-enabled user accounts via script at 9:59 AM. The Department immediately began to research and determine who accessed the Civic Platform and the application before Accela had re-enabled user accounts and how they gained access.

The Department quickly realized that the two individuals that began and submitted applications prior to the planned opening of the Application Window were among those who had their passwords manually reset by Department personnel the morning of September 3, 2019. Consistent with the Department's instructions, at least nine (9) individuals experiencing trouble signing onto the Civic Platform arrived in person at the Department's office to have their accounts reset. During this process, the Department manually re-enabled the user accounts so the potential Applicants could sign on using the Department-set temporary password, reset their personal password, and ensure they were able to sign onto their accounts prior to leaving the Department's offices. The Department, however, neglected to re-disable the accounts to ensure the individuals did not have access to the platform prior to Accela's mass re-enabling of accounts at 9:59:46 AM. That is, while the manual resets were done in accordance with the Department's regular procedure for in-person password resets, the unique circumstances of that morning resulted in the unintentional granting of early access to those users.

The Department subsequently informed the public of these two instances of early access and, in order to ensure these Applicants were not unfairly advantaged by starting the application early, decided in collaboration with Accela to "normalize" the application times to negate their advantage over other applicants. However, since this has come to light, the public has continued to raise concerns regarding the veracity of the outcome of the Phase 3 Retail Round 1 application process, as reported by the Department.



## Scope and Methodology

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The City of Los Angeles, Office of the City Administrative Officer, (CAO) contracted with Sjoberg Evashenk Consulting, Inc., to conduct a performance audit of the Department of Cannabis Regulation's Phase 3 Retail Round 1 Application Process. To ensure the confidence of the community in the City's licensing process, the CAO sought an independent and objective third party to determine whether errors occurred on the morning of September 3, when licensing began, and, if errors occurred, the nature of those errors and the degree to which they were material to the first-come, first-served Applicant review process outcomes. Toward this end, the objectives of this audit were to:

- Establish a comprehensive understanding as to whether any Applicants accessed the Accela platform prior to the Application Time and, if so, (1) how many Applicants, (2) which Applicants, and (3) the times at which they accessed the Accela platform;
- Determine the root cause of any instances in which Applicants accessed the Accela platform prior to the Application time;
- Assess any measures taken by the Department of Cannabis Regulation (Department) to address any instances in which Applicants accessed Accela prior to the Application Time; and
- Assess how any Applicants were impacted, if at all, by any instances in which Applicants accessed Accela prior to the Application Time and any measures taken by the Department to address such instances.

To accomplish the audit objectives, Sjoberg Evashenk Consulting held an Entrance Conference with the General Manager of the Los Angeles Department of Cannabis Regulation; conducted interviews with key Department management and staff, as well as representatives of Accela; reviewed relevant statutes, ordinances, rules, and regulations; reviewed general background information, including information made available through the Department's website, application materials, the Accela application portal, and internal guidelines and tools used by the Department to review Phase 3 Retail Round 1 applications; and obtained and considered complaints filed with the Department regarding the application process.

In addition, we obtained and reviewed the Department's contract with Accela; an internal review of the Phase 3 Retail Round 1 application process conducted by Accela in October 2019; Accela Data System network performance reports, which reveal the load and latency of the server before, during, and after the application opening period of September 3, 2019, at 10:00 AM; and Accela Phase 3 Analysis and Workflows, which depicted the application workflow process. We also obtained and reviewed Accela's Service Organization Control (SOC) 2 report, conducted in accordance with the Statement on Standards for Attestation Engagement No. 16 (SSAE-16) issued by the American Institute of Certified Public Accountants (AICPA). SOC 2 reports provide an independent attestation relating to the security, availability, processing integrity, confidentiality, and privacy of an information system, such as the Accela platform. Finally, we obtained information from the public, including public comments provided at City of Los Angeles Cannabis Regulation Commission meetings, and information provided directly to the audit team.

In order to determine if any Applicant accessed the Accela platform or the Phase 3 application prior to September 3, 2019, at 10:00 AM (i.e., the "Application Time") and, if so, the factors that enabled the applicant(s) to gain access prior to the Application Time, we obtained, reviewed, and analyzed audit logs from the Accela system. These logs identified key timestamps related to Applicant sign-on attempts, application start times, application submit times, document upload times, and various timestamps associated with the Phase 3 Retail Round 1 application workflow. We analyzed these timestamps with the purpose of evaluating internal consistency, identifying any indicators of non-human intervention in the application process, and mapping a timeline identifying individual account activation, sign-on to the Accela portal, start of each application, document upload times, and application submittal.

In order to evaluate the measures taken by the Department to address any instances in which Applicants accessed the Accela platform or the Phase 3 Application prior to the Application Time, and to determine the extent to which Applicants were impacted by any instances in which Applicants accessed Accela prior to the Application Time, we obtained and analyzed documentation of the Department's normalization process employed to determine and identify the "Top 100" Applicants for processing. This included an analysis of the accuracy of the calculations performed, as well as the Department's choice of timestamps used for the normalization process.

Audit work was performed from January 2020 through March 2020. A draft of this report was provided to Department management for review and discussion and an Exit Conference was held on March 25, 2020. The Department agreed with the findings and recommendations presented in this report, and the responses and feedback provided by management were considered and incorporated where appropriate in the final report. We appreciate the cooperation provided by the City, Department, and Accela during the course of this audit.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.



## Audit Findings & Recommendations

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As described previously, the Department provided informational materials to the public detailing how potential Applicants were to sign onto the Accela Civic Platform, navigate to the application page, and complete and submit the application for a Phase 3 Retail Round 1 processing. Spurred by concerns raised by the public regarding the potential that certain Applicants accessed the system early and thereby gained an advantage over other Applicants, the CAO's Office asked our firm to determine if anyone accessed the system prior to the Application Time; if so, who gained early access and what factors enabled them to gain early access. And, if individuals did gain early access, what did the Department do to mitigate the impact such access would have had on the pool of Applicants, and based on these efforts, is there reason to believe that any Applicant benefited from accessing the system early. The remainder of our report represents our conclusions to the CAO's objectives.

### Objective #1

**Establish a comprehensive understanding as to whether any Applicants accessed Accela prior to the Application Time and, if so, (1) how many Applicants, (2) which Applicants, and (3) the times at which they accessed Accela.**

The Department designated 10:00 AM PDT on September 3, 2019, as the "Application Time." We examined system audit logs that identified every attempted login to the Department's "LADCR" module of the Accela Civic Platform between August 28, 2019, when Accela disabled user accounts, and September 3, 2019, when Accela re-enabled user accounts and opened the Application Window. We also examined system audit logs that identified every instance in which a user started an application during this same period. We found the following:

- 226 Applicants signed on to the Accela Civic Platform before 10:00 AM on September 3, 2019. A list of the Applicants that accessed Accela Civic Platform prior to 10:00 AM is provided in Appendix A of this report.
- 224 of these Applicants signed on between 9:59:46 AM and 9:59:59 AM, and two Applicants signed on at 9:48:44 AM and 9:49:54 AM.
- Of the Applicants that signed onto the Accela Civic Platform prior to 10:00 AM on September 3, 2019, 14 accessed the Phase 3 Retail Round 1 application prior to 10:00 AM. These Applicants are presented in Exhibit 3.

**EXHIBIT 3: APPLICATIONS STARTED PRIOR TO THE APPLICATION WINDOW**

Record Number	Application Start Time
LA-C-19-310001-R-APP	9:50:12
LA-C-19-310003-R-APP	9:56:03
LA-C-19-310004-R-APP	9:59:54
LA-C-19-310090-R-APP	9:59:54
LA-C-19-310006-R-APP	9:59:56
LA-C-19-310009-R-APP	9:59:56
LA-C-19-310126-R-APP	9:59:56
LA-C-19-310022-R-APP	9:59:57
LA-C-19-310087-R-APP	9:59:57
LA-C-19-310013-R-APP	9:59:58
LA-C-19-310025-R-APP	9:59:59
LA-C-19-310027-R-APP	9:59:59
LA-C-19-310059-R-APP	9:59:59
LA-C-19-310125-R-APP	9:59:59

**Objective #2**

**Determine the root cause of any instances in which Applicants accessed Accela prior to the Application Time.**

In order to determine the root cause of the identified instances in which Applicants accessed the Accela Civic Platform, we reviewed application performance monitoring data and application logs, and the processes employed to restrict and then re-enable system access by disabling and enabling user accounts. We found that Accela provided application performance monitoring data and application logs to corroborate their assertions that no bot-like behavior was observed on September 3, 2019. Although Accela could not provide all the supporting data and system logs that were the basis of their forensic analysis, the data provided generally supports Accela's assertions because the activity during September 3, 2019 does not appear to indicate any nefarious activities occurred.

The root cause of the early access identified in Objective #1, however, was the result of the technique employed to restrict user access to the Accela Civic Platform by disabling user accounts. The process of re-enabling user accounts granted all Applicants access to the Accela system starting at approximately 9:59:46 AM. According to the Department and Accela, they re-enabled these accounts prior to 10:00 AM by design to ensure all Applicants could access the start of the application by 10:00 AM. Yet, there was no other system barrier preventing Applicants, once signed on, from navigating to the application page and starting the application. As described earlier, Applicants needed to sign onto the Accela Civic Platform and navigate through several pages in order to start the application itself. It took Applicants about 32 seconds to navigate from the sign-on page to the actual application, as measured by the median time lapsed, though some navigated through each page in just a few seconds. Nearly all Applicants that signed onto the Accela Civic Platform prior to 10:00 AM did so because the Department and Accela allowed *all* Applicants to do so. In fact, 224 of the 226 Applicants that accessed the Accela system before 10:00 AM gained access through the planned sign-on process between 9:59:46 AM and 9:59:59 AM.



While re-enabling user accounts granted access to the Accela Civic Platform by design, this technique was problematic in two ways.

- ✓ First, user accounts can be disabled and enabled manually by authorized Accela and Department personnel. As described previously, the Department required Applicants who were unable to access their accounts to come to the Department's office in person to request a manual reset to the Applicant's user account and password. The ability of management to enable and disable accounts in Accela's Civic Platform, and the Department's requirement for Applicant's to request account resets in person, introduced the potential for human error.

The morning of September 3, 2019, several Applicants arrived at the Department's office to request a manual reset of their accounts and passwords. The Department, consistent with its mission to remove barriers to the application process for all Social Equity Applicants, fulfilled the request to reset user accounts for as many Applicants as possible. Doing so, however, required the Department to enable each Applicant's account so that the Applicant could sign-on with the temporary password they were given and to create a permanent password that the Applicant could then use to sign on and start the application. As illustrated in Exhibit 4, nine (9) Applicant accounts were enabled prior to 10:00 AM on September 3, 2019, as a result of this process. The resets occurred between 07:42:40 and 09:35:00. According to Department management, it did not occur to them at the time that they should have re-disabled the Applicant's accounts after the passwords were reset; it was only with hindsight that the Department realized that its actions allowed a few Applicants to access the Accela Civic Platform before all other Applicant accounts were re-enabled.

**EXHIBIT 4: APPLICANTS WHOSE ACCOUNTS WERE MANUALLY ENABLED**

<b>Applicant</b>	<b>Re-Enabled</b>
PUBLICUSER294886	9/3/2019 7:42:40
PUBLICUSER293622	9/3/2019 7:46:58
PUBLICUSER293999	9/3/2019 7:48:46
PUBLICUSER299988	9/3/2019 9:00:39
PUBLICUSER304026	9/3/2019 9:02:17
PUBLICUSER240822	9/3/2019 9:04:40
PUBLICUSER296105	9/3/2019 9:06:59
PUBLICUSER279855	9/3/2019 9:08:13
PUBLICUSER304054	9/3/2019 9:35:00

Seven (7) of these nine Applicants did not access the application early and thus gained no benefit from the Department re-enabling their accounts. Two (2) Applicants, however, did sign on prior to Accela's script to re-enable user accounts (see the shaded rows in Exhibit 4). These two Applicants are identified as the first two sign on the Accela Portal in Appendix A, and both began their applications prior to 9:59 AM, as illustrated in Exhibit 7. The potential benefit these two (2) Applicants would have gained by accessing the application early was negated by the Department's "normalization" process, as described in Objective #3 below.



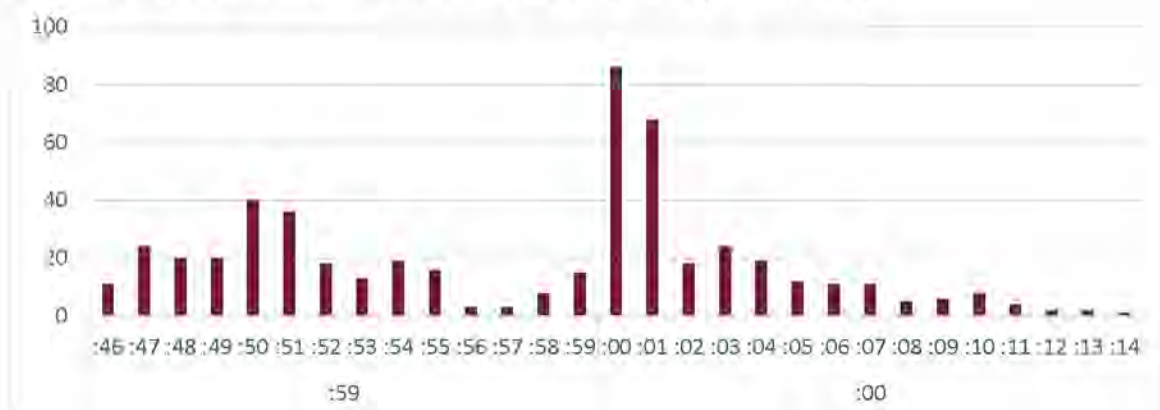
- ✓ Second, the technique of disabling accounts and then re-enabling them immediately before the scheduled Application Window obfuscated what should have been very clear. The Phase 3 Retail Round 1 application process was a race, and the execution of this technique, re-enabling user accounts within 14 seconds of Application Time, created the potential for confusion regarding the starting line.

In the month leading up to the September 3 application start time, the Department routinely referred to the "Application Window" as commencing at 10:00 AM on September 3, 2019. For instance, on August 19, 2019, the Department issued a statement indicating that it was *"pleased to announce the opening of Phase 3 Round 1 Application Window beginning on Sept. 3, 2019 at 10:00 AM."* This appears clear: Applicants would be able to access and begin working on the application at this time.

However, the Department issued other statements that, in hindsight, differ from this message and could reasonably have influenced potential Applicants' understanding of the application start time. Specifically, on August 26, 2019, the Department released this message: *"The Accela portal will be unavailable from Wednesday, August 28, 10 AM PDT until Tuesday, September 3, 2019, 10 AM PDT while it undergoes maintenance in preparation for the opening of the application window."* The Accela portal was indeed open before 10:00 AM, specifically by 9:59:46 AM, and Applicants were able to navigate to the application page during this time.

The Department's decision to disable all user accounts and then to re-enable them at the same time the Department intended to open the "Application Window" could reasonably lead Applicants to believe that they could not sign on to the system until 10:00 AM. Apart from the two early Applicants identified in this report, all other Applicants that attempted to sign into the system prior to 9:59:46 AM were denied access and met with an alert that *"An error has occurred. The Accela System is currently down for scheduled maintenance. Phase 3 Round 1 is scheduled to go live on September 3<sup>rd</sup>, 2019 at 10 AM Pacific Daylight Time (PDT)."* While 224 Applicants did access the system during the 14 seconds prior to 10:00 AM, system sign-on logs suggest more Applicants waited until 10:00 AM. As shown in Exhibit 5, audit log data shows that 321 Applicants signed-on to the Accela portal between 10:00:00 AM and 10:00:59 AM, 154 of whom did so within the first two seconds of the hour. Ultimately, evidence suggests that some Applicants attempted to sign-on as early as possible while other Applicants waited until exactly 10:00 AM to sign-on because of what, in hindsight, was imprecise messaging by the Department.

**EXHIBIT 5. APPLICANT SIGN-ON FREQUENCY AT APPLICATION TIME (9:59-10:00 AM)**



Based on this, we found the method used to roll out the application to be confusing and prone to human error. Instead, the Department and Accela could have used an alternative method that technically restricted all users from accessing the application without deactivating accounts or resetting passwords, and made the Accela Civic Platform available to all users well before the Application Window so as not to conflate the Application Window with the platform sign-on process. This would be analogous to Southwest Airlines enabling individuals to log into their accounts but restricting their ability to check in for their flight until exactly 24 hours prior to their flight time. This would have prevented the type of human error that led to the advanced enabling of user accounts, and it would have better ensured all Applicants could access the application simultaneously. According to Accela, it elected the method it did to ensure the Department and Accela staff had access to the production environment during the shut-down period of August 28 through September 2, 2019, but acknowledges in hindsight that an alternative approach would have resulted in a better user experience.

Therefore, in order to avoid similar problems in the future, we recommend that, when establishing upcoming Application Windows, the Department of Cannabis Regulation develop a method that restricts all users from accessing the application without deactivating accounts or resetting passwords, and make the Accela Civic Platform available to all users well before the Application Window so as not to conflate the Application Window with the platform sign-on process.

### **Objective #3**

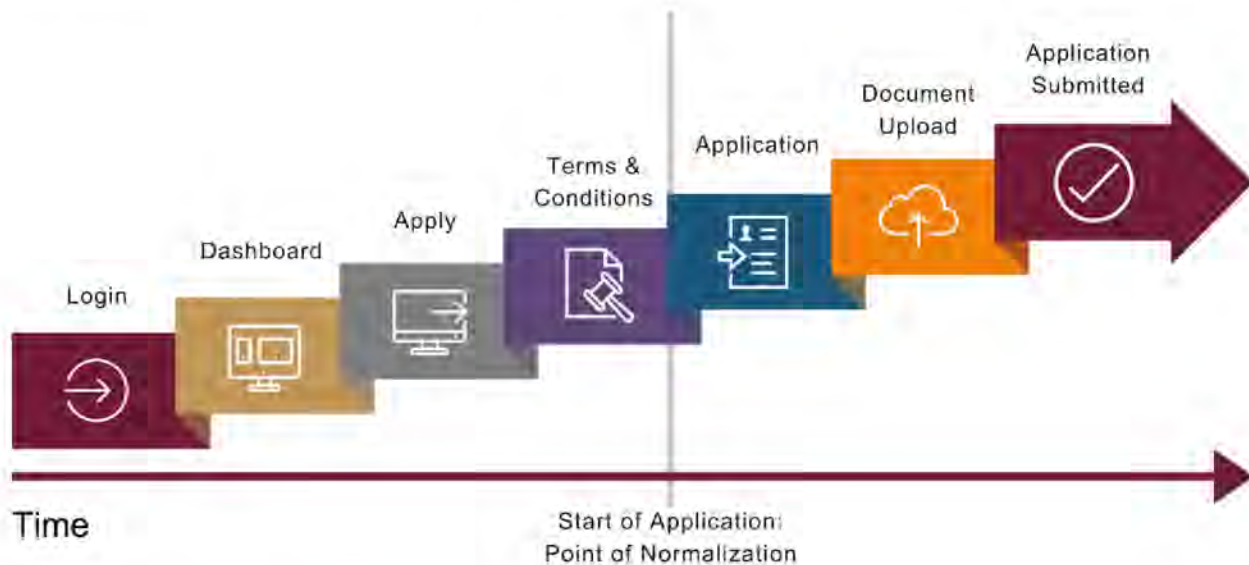
**Assess any measures taken by the Department to address any instances in which Applicants accessed Accela prior to the Application Time.**

To negate any advantage gained by the 14 Applicants who accessed the Phase 3 Retail Round 1 application prior to the 10:00 AM, the Department performed a timestamp “normalization” process. This consisted of calculating the length of time taken by an Applicant to complete their application and adding that time to the planned application start time of 10:00 AM to arrive at a normalized application submit time. As shown in Exhibit 6, the Department used the time at which an Applicant entered into the Application from the Terms and Conditions page as the start time for the normalization calculation, and the application submit time as the end time. As a result, the normalized time represented the time at which the application



would have been submitted had the Applicant started the application at 10:00 AM, thereby neutralizing the advantage of an early application start time.

#### EXHIBIT 6. THE PHASE 3 RETAIL ROUND 1 NORMALIZATION PROCESS



To evaluate the Department's normalization process, we interviewed key Department and Accela staff involved in the process, and independently reviewed and validated the Department's normalization calculations using application start and end times taken from Accela's system audit logs. In addition, we assessed whether the start and end times used by the Department to perform the normalization process were reasonable based on factors including the process workflow, system configuration, and how the Department communicated the process to prospective Applicants leading up to the Application Window.

As shown in Exhibit 7, for each of the 14 Applicants accessing the application prior to 10:00 AM, normalization had the effect of shifting their application submit time later. Because the Department reviewed applications in order of time submitted, the normalization process changed the order in which applications would be reviewed. The submit times for applications that were started at or after 10:00 AM were not changed by the normalization process. Our review found the timestamps used by the Department for normalization matched those in Accela's system logs and the Department's calculation of application duration and normalization to be consistent and accurate.



# EXHIBIT 7: RESULTS OF THE DEPARTMENT'S NORMALIZATION PROCESS

Record #	Application Start Time	Actual Submit Time	Actual Submit Order*	Normalized Submit Time	Normalized Order*
LA-C-19-310001-R-APP	9:50:12	9:51:40	1	10:01:28	56
LA-C-19-310003-R-APP	9:56:03	9:58:05	2	10:02:02	179
LA-C-19-310004-R-APP	9:59:54	10:00:40	3	10:00:46	1
LA-C-19-310090-R-APP	9:59:54	10:01:35	86	10:01:41	101
LA-C-19-310006-R-APP	9:59:56	10:00:50	4	10:00:54	2
LA-C-19-310009-R-APP	9:59:56	10:01:01	7	10:01:05	10
LA-C-19-310126-R-APP	9:59:56	10:01:45	118	10:01:49	139
LA-C-19-310022-R-APP	9:59:57	10:01:11	20	10:01:14	21
LA-C-19-310087-R-APP	9:59:57	10:01:34	82	10:01:37	88
LA-C-19-310013-R-APP	9:59:58	10:01:03	9	10:01:05	11
LA-C-19-310025-R-APP	9:59:59	10:01:13	23	10:01:14	21
LA-C-19-310027-R-APP	9:59:59	10:01:13	23	10:01:14	21
LA-C-19-310059-R-APP	9:59:59	10:00:40	56	10:01:28	56
LA-C-19-310125-R-APP	9:59:59	10:01:45	118	10:01:46	123

\* Represents the lowest possible order for the submit time, given that multiple applications can share the same time.

While this normalization process focused on any instances in which Applicants accessed the *application* prior to the Application Window, the audit objective set forth by the CAO requires an evaluation of the measures taken by the Department to address any instances in which Applicants accessed *Accela* prior to the Application Window. This can only be measured by the sign-on timestamp, and the Department did not normalize application submittal results based on an Applicant's access to the Accela Civic Platform precisely because Accela "opened the doors" to the platform prior to 10:00 AM by design, as discussed previously. This was consistent with the Department's intended opening of the Application Window time and was based on an application start time defined as the time at which an Applicant clicked "Continue" on the Terms and Condition page to enter into the application.

## Objective #4

**Assess how any Applicants were impacted, if at all, by any instances in which Applicants accessed Accela prior to the Application Time and any measures taken by the Department to address such instances.**

Based on the analysis described in Objective #3, we found the application timestamp normalization process performed by the Department effectively negated any benefits for all 14 Applicants that accessed the application before 10:00 AM. We further found the Department's approach to normalization to be reasonable and appropriate, and reflected the intent of the program to process applications on a first come, first served basis as measured by application timestamps. Finally, we found that there is no evidence to suggest that Department's process of activating user accounts benefited any users over any other users, with the exception of the two Applicants whose passwords were manually reset and who started the application prior to Accela's re-enabling of all other accounts—the benefit of which was again negated by the Department's normalization process. All accounts were activated using a single script shortly prior to 10:00 AM. However, the potential misperception among some Applicants that they were prohibited from signing on to the Accela Civic Platform until 10:00 AM may have placed those Applicants at a disadvantage. Those



Applicants that waited until 10:00 AM to sign on would have lost time in the process; as mentioned above, system audit logs show that, among all Applicants, the median length of time it took an Applicant to navigate from the platform sign-on to the application page was 32 seconds. It is only in hindsight and with this data and related analysis that an evaluation of an alternative normalization process utilizing sign-on times instead of application start times becomes relevant.

To determine the magnitude of the impact that a normalization of sign-on timestamps could have had on the outcome of the application process, we re-evaluated the rank order based on normalized Applicant sign on times and found that nearly 90 percent of the Applicants that finished in the “top 100” remained in the “top 100.” However, our analysis of system audit log data shows that as many as 11 Applicants whose applications were determined to be ineligible may have qualified for further processing if the Department normalized application submission times based on sign-on times. This could affect 11 applicants, whose applications have already been approved. In all but one of instance, the impact results solely from the change moving some applications in and other applications out of the first 100 qualified applications. In one instance, the change to the order reviewed led to an application leaping ahead of the very application that had caused it to be deemed ineligible due to program rules prohibiting licensed businesses from operating within 700 feet of one another. The 11 Applicants deemed eligible for further processing that may be impacted are shown in Exhibit 8.

**EXHIBIT 8: PREVIOUSLY INVOICED APPLICATIONS POTENTIALLY IMPACTED BY SIGN-ON TIME NORMALIZATION PROCESS**

Record #	Actual Sign-On Time	Normalized Submit Time	Sign-On Normalized Submit Time
LA-C-19-310001-R-APP	9:48:44	10:01:28	10:02:56
LA-C-19-310118-R-APP	9:59:49	10:01:44	10:01:55
LA-C-19-310111-R-APP	9:59:49	10:01:42	10:01:53
LA-C-19-310125-R-APP	9:59:50	10:01:46	10:01:55
LA-C-19-310114-R-APP	9:59:50	10:01:42	10:01:52
LA-C-19-310113-R-APP	9:59:50	10:01:42	10:01:52
LA-C-19-310122-R-APP	9:59:51	10:01:45	10:01:54
LA-C-19-310116-R-APP	9:59:51	10:01:43	10:01:52
LA-C-19-310133-R-APP	9:59:52	10:01:46	10:01:54
LA-C-19-310134-R-APP	9:59:54	10:01:46	10:01:52
LA-C-19-310047-R-APP	9:59:54	10:01:23	10:01:29

Though our review found that as many as 11 other applications could have been reviewed and may have been deemed eligible for further processing following normalization based on sign-on times, no definitive conclusions can be drawn at this time. While all accepted applications were subject to the same review process to determine eligibility and cross-application impacts, the Department has not completed such a review of applications that were not within the top 100. Therefore, this audit cannot conclude definitively on those alternative applications that may have been deemed eligible for further processing, nor does this audit make any recommendation regarding the outcome of the Phase 3 Retail Round 1 process.

Rather, we found that while imprecise messaging and an ill-suited technique to eliminate access to the Phase 3 Retail Round 1 application prior to the Application Window led to some confusion regarding the application process, there is no evidence that the Department’s process to re-enable user accounts



benefited any users over any other users, and the Department's normalization process effectively negated any benefits for all 14 Applicants that accessed the application before 10:00 AM. Our review found the Department's normalization of the application start time to be reasonable and appropriate, and reflected the intent of the program to process applications on a first come, first served basis as measured by application timestamps. Despite our conclusion that the resulting confusion lends legitimacy to an alternative normalization process, we found the Department's approach to normalization to be reasonable and appropriate, and we did not find alternative methods to be more reasonable or more appropriate than the adopted approach.

## Appendix A – Applicant Sign-On Timestamps Prior to 10:00 AM

	User	Initial Sign-On	Application ID
1	PUBLICUSER240822	9/3/2019 9:48:44 AM	LA-C-19-310001-R-APP
2	PUBLICUSER293999	9/3/2019 9:49:54 AM	LA-C-19-310003-R-APP
3	PUBLICUSER291321	9/3/2019 9:59:46 AM	LA-C-19-310004-R-APP
4	PUBLICUSER291987	9/3/2019 9:59:46 AM	LA-C-19-310274-R-APP
5	PUBLICUSER296723	9/3/2019 9:59:46 AM	LA-C-19-310294-R-APP
6	PUBLICUSER299071	9/3/2019 9:59:46 AM	LA-C-19-310017-R-APP
7	PUBLICUSER299350	9/3/2019 9:59:46 AM	LA-C-19-310253-R-APP
8	PUBLICUSER301325	9/3/2019 9:59:46 AM	LA-C-19-310427-R-APP
9	PUBLICUSER301469	9/3/2019 9:59:46 AM	LA-C-19-310231-R-APP
10	PUBLICUSER302055	9/3/2019 9:59:46 AM	LA-C-19-310739-R-APP, LA-C-19-310750-R-APP
11	PUBLICUSER302548	9/3/2019 9:59:46 AM	LA-C-19-310009-R-APP
12	PUBLICUSER303614	9/3/2019 9:59:46 AM	LA-C-19-310090-R-APP
13	PUBLICUSER304056	9/3/2019 9:59:46 AM	LA-C-19-310130-R-APP
14	PUBLICUSER241281	9/3/2019 9:59:47 AM	LA-C-19-310667-R-APP
15	PUBLICUSER246021	9/3/2019 9:59:47 AM	LA-C-19-310022-R-APP
16	PUBLICUSER285041	9/3/2019 9:59:47 AM	LA-C-19-310404-R-APP
17	PUBLICUSER289477	9/3/2019 9:59:47 AM	LA-C-19-310175-R-APP
18	PUBLICUSER289557	9/3/2019 9:59:47 AM	LA-P-19-310291-R-APP
19	PUBLICUSER289621	9/3/2019 9:59:47 AM	LA-C-19-310040-R-APP
20	PUBLICUSER289626	9/3/2019 9:59:47 AM	LA-C-19-310021-R-APP, LA-C-19-310024-R-APP, LA-C-19-310027-R-APP, LA-C-19-310236-R-APP
21	PUBLICUSER289680	9/3/2019 9:59:47 AM	LA-C-19-310014-R-APP
22	PUBLICUSER290039	9/3/2019 9:59:47 AM	LA-C-19-310045-R-APP, LA-C-19-310310-R-APP
23	PUBLICUSER291166	9/3/2019 9:59:47 AM	LA-C-19-310263-R-APP
24	PUBLICUSER295289	9/3/2019 9:59:47 AM	LA-C-19-310023-R-APP, LA-C-19-310100-R-APP, LA-C-19-310273-R-APP, LA-C-19-310639-R-APP
25	PUBLICUSER296066	9/3/2019 9:59:47 AM	LA-C-19-310370-R-APP
26	PUBLICUSER297774	9/3/2019 9:59:47 AM	LA-C-19-310007-R-APP
27	PUBLICUSER298061	9/3/2019 9:59:47 AM	LA-C-19-310369-R-APP
28	PUBLICUSER298480	9/3/2019 9:59:47 AM	LA-C-19-310224-R-APP
29	PUBLICUSER299632	9/3/2019 9:59:47 AM	LA-C-19-310163-R-APP
30	PUBLICUSER302332	9/3/2019 9:59:47 AM	LA-C-19-310093-R-APP
31	PUBLICUSER302966	9/3/2019 9:59:47 AM	LA-C-19-310285-R-APP
32	PUBLICUSER286838	9/3/2019 9:59:48 AM	LA-C-19-310351-R-APP, LA-C-19-310529-R-APP, LA-C-19-310572-R-APP, LA-C-19-310686-R-APP



	User	Initial Sign-On	Application ID
33	PUBLICUSER288641	9/3/2019 9:59:48 AM	LA-C-19-310052-R-APP, LA-C-19-310413-R-APP
34	PUBLICUSER288946	9/3/2019 9:59:48 AM	LA-C-19-310091-R-APP
35	PUBLICUSER289179	9/3/2019 9:59:48 AM	LA-C-19-310255-R-APP
36	PUBLICUSER289426	9/3/2019 9:59:48 AM	LA-C-19-310006-R-APP
37	PUBLICUSER289677	9/3/2019 9:59:48 AM	LA-C-19-310144-R-APP
38	PUBLICUSER289862	9/3/2019 9:59:48 AM	LA-C-19-310089-R-APP
39	PUBLICUSER289951	9/3/2019 9:59:48 AM	LA-C-19-310302-R-APP
40	PUBLICUSER290311	9/3/2019 9:59:48 AM	LA-C-19-310030-R-APP, LA-C-19-310059-R-APP, LA-C-19-310361-R-APP
41	PUBLICUSER290868	9/3/2019 9:59:48 AM	LA-P-19-310399-R-APP
42	PUBLICUSER291696	9/3/2019 9:59:48 AM	LA-C-19-310331-R-APP
43	PUBLICUSER294497	9/3/2019 9:59:48 AM	LA-C-19-310041-R-APP
44	PUBLICUSER294503	9/3/2019 9:59:48 AM	LA-C-19-310086-R-APP
45	PUBLICUSER298973	9/3/2019 9:59:48 AM	LA-C-19-310266-R-APP
46	PUBLICUSER303342	9/3/2019 9:59:48 AM	LA-C-19-310177-R-APP
47	PUBLICUSER212021	9/3/2019 9:59:49 AM	LA-C-19-310087-R-APP
48	PUBLICUSER237928	9/3/2019 9:59:49 AM	LA-C-19-310166-R-APP
49	PUBLICUSER289394	9/3/2019 9:59:49 AM	LA-C-19-310111-R-APP
50	PUBLICUSER290870	9/3/2019 9:59:49 AM	LA-C-19-310433-R-APP
51	PUBLICUSER291285	9/3/2019 9:59:49 AM	LA-C-19-310010-R-APP
52	PUBLICUSER294884	9/3/2019 9:59:49 AM	LA-C-19-310051-R-APP
53	PUBLICUSER296052	9/3/2019 9:59:49 AM	LA-C-19-310207-R-APP, LA-C-19-310234-R-APP
54	PUBLICUSER296101	9/3/2019 9:59:49 AM	LA-C-19-310544-R-APP
55	PUBLICUSER297679	9/3/2019 9:59:49 AM	LA-C-19-310043-R-APP, LA-C-19-310272-R-APP, LA-C-19-310673-R-APP
56	PUBLICUSER297954	9/3/2019 9:59:49 AM	LA-C-19-310376-R-APP
57	PUBLICUSER298845	9/3/2019 9:59:49 AM	LA-C-19-310170-R-APP
58	PUBLICUSER299461	9/3/2019 9:59:49 AM	LA-C-19-310078-R-APP
59	PUBLICUSER299986	9/3/2019 9:59:49 AM	LA-C-19-310013-R-APP
60	PUBLICUSER302305	9/3/2019 9:59:49 AM	LA-C-19-310118-R-APP
61	PUBLICUSER303325	9/3/2019 9:59:49 AM	LA-C-19-310046-R-APP
62	PUBLICUSER303385	9/3/2019 9:59:49 AM	LA-C-19-310042-R-APP
63	PUBLICUSER304096	9/3/2019 9:59:49 AM	LA-C-19-310406-R-APP
64	PUBLICUSER237990	9/3/2019 9:59:50 AM	LA-C-19-310114-R-APP
65	PUBLICUSER238845	9/3/2019 9:59:50 AM	LA-C-19-310199-R-APP
66	PUBLICUSER289250	9/3/2019 9:59:50 AM	LA-C-19-310032-R-APP
67	PUBLICUSER289299	9/3/2019 9:59:50 AM	LA-C-19-310127-R-APP



	User	Initial Sign-On	Application ID
68	PUBLICUSER289671	9/3/2019 9:59:50 AM	LA-C-19-310057-R-APP
69	PUBLICUSER289993	9/3/2019 9:59:50 AM	LA-C-19-310020-R-APP
70	PUBLICUSER290913	9/3/2019 9:59:50 AM	LA-C-19-310031-R-APP
71	PUBLICUSER291040	9/3/2019 9:59:50 AM	LA-C-19-310374-R-APP
72	PUBLICUSER292338	9/3/2019 9:59:50 AM	LA-C-19-310035-R-APP
73	PUBLICUSER293028	9/3/2019 9:59:50 AM	LA-C-19-310277-R-APP
74	PUBLICUSER293225	9/3/2019 9:59:50 AM	LA-C-19-310289-R-APP
75	PUBLICUSER293621	9/3/2019 9:59:50 AM	LA-C-19-310460-R-APP
76	PUBLICUSER293623	9/3/2019 9:59:50 AM	LA-C-19-310216-R-APP
77	PUBLICUSER293627	9/3/2019 9:59:50 AM	LA-C-19-310160-R-APP
78	PUBLICUSER294029	9/3/2019 9:59:50 AM	LA-P-19-310325-R-APP
79	PUBLICUSER294052	9/3/2019 9:59:50 AM	LA-C-19-310113-R-APP
80	PUBLICUSER294117	9/3/2019 9:59:50 AM	LA-C-19-310194-R-APP
81	PUBLICUSER294163	9/3/2019 9:59:50 AM	LA-C-19-310319-R-APP
82	PUBLICUSER294164	9/3/2019 9:59:50 AM	LA-C-19-310248-R-APP
83	PUBLICUSER294358	9/3/2019 9:59:50 AM	LA-C-19-310193-R-APP
84	PUBLICUSER294454	9/3/2019 9:59:50 AM	LA-C-19-310049-R-APP
85	PUBLICUSER294456	9/3/2019 9:59:50 AM	LA-C-19-310029-R-APP
86	PUBLICUSER294644	9/3/2019 9:59:50 AM	LA-C-19-310088-R-APP
87	PUBLICUSER294703	9/3/2019 9:59:50 AM	LA-C-19-310044-R-APP
88	PUBLICUSER294747	9/3/2019 9:59:50 AM	LA-C-19-310365-R-APP
89	PUBLICUSER294755	9/3/2019 9:59:50 AM	LA-C-19-310060-R-APP
90	PUBLICUSER294863	9/3/2019 9:59:50 AM	LA-C-19-310039-R-APP,
91	PUBLICUSER295025	9/3/2019 9:59:50 AM	LA-C-19-310181-R-APP
92	PUBLICUSER295445	9/3/2019 9:59:50 AM	LA-C-19-310192-R-APP
93	PUBLICUSER295642	9/3/2019 9:59:50 AM	LA-C-19-310079-R-APP
94	PUBLICUSER295729	9/3/2019 9:59:50 AM	LA-C-19-310158-R-APP
95	PUBLICUSER295988	9/3/2019 9:59:50 AM	LA-C-19-310025-R-APP
96	PUBLICUSER296269	9/3/2019 9:59:50 AM	LA-P-19-310480-R-APP
97	PUBLICUSER296298	9/3/2019 9:59:50 AM	LA-C-19-310048-R-APP
98	PUBLICUSER298975	9/3/2019 9:59:50 AM	LA-C-19-310141-R-APP
99	PUBLICUSER299244	9/3/2019 9:59:50 AM	LA-C-19-310227-R-APP
100	PUBLICUSER301281	9/3/2019 9:59:50 AM	LA-C-19-310256-R-APP
101	PUBLICUSER302947	9/3/2019 9:59:50 AM	LA-C-19-310147-R-APP,
102	PUBLICUSER303981	9/3/2019 9:59:50 AM	LA-C-19-310125-R-APP
103	PUBLICUSER304100	9/3/2019 9:59:50 AM	LA-C-19-310073-R-APP



	User	Initial Sign-On	Application ID
104	PUBLICUSER304167	9/3/2019 9:59:50 AM	LA-C-19-310126-R-APP
105	PUBLICUSER304254	9/3/2019 9:59:50 AM	LA-C-19-310026-R-APP,
106	PUBLICUSER205241	9/3/2019 9:59:51 AM	LA-C-19-310536-R-APP, LA-P-19-310722-R-APP
107	PUBLICUSER236994	9/3/2019 9:59:51 AM	LA-C-19-310012-R-APP
108	PUBLICUSER289757	9/3/2019 9:59:51 AM	LA-C-19-310112-R-APP
109	PUBLICUSER291398	9/3/2019 9:59:51 AM	LA-C-19-310136-R-APP
110	PUBLICUSER291581	9/3/2019 9:59:51 AM	LA-C-19-310204-R-APP
111	PUBLICUSER292306	9/3/2019 9:59:51 AM	LA-C-19-310153-R-APP
112	PUBLICUSER292696	9/3/2019 9:59:51 AM	LA-C-19-310451-R-APP
113	PUBLICUSER292755	9/3/2019 9:59:51 AM	LA-C-19-310164-R-APP
114	PUBLICUSER293026	9/3/2019 9:59:51 AM	LA-C-19-310142-R-APP
115	PUBLICUSER293902	9/3/2019 9:59:51 AM	LA-C-19-310278-R-APP
116	PUBLICUSER294112	9/3/2019 9:59:51 AM	LA-C-19-310400-R-APP
117	PUBLICUSER294165	9/3/2019 9:59:51 AM	LA-C-19-310116-R-APP
118	PUBLICUSER294213	9/3/2019 9:59:51 AM	LA-C-19-310062-R-APP
119	PUBLICUSER294452	9/3/2019 9:59:51 AM	LA-C-19-310140-R-APP
120	PUBLICUSER294750	9/3/2019 9:59:51 AM	LA-C-19-310377-R-APP
121	PUBLICUSER295446	9/3/2019 9:59:51 AM	LA-C-19-310008-R-APP
122	PUBLICUSER295519	9/3/2019 9:59:51 AM	LA-C-19-310279-R-APP
123	PUBLICUSER295568	9/3/2019 9:59:51 AM	LA-C-19-310178-R-APP
124	PUBLICUSER297389	9/3/2019 9:59:51 AM	LA-C-19-310689-R-APP
125	PUBLICUSER297546	9/3/2019 9:59:51 AM	LA-C-19-310402-R-APP
126	PUBLICUSER297772	9/3/2019 9:59:51 AM	LA-C-19-310414-R-APP
127	PUBLICUSER299988	9/3/2019 9:59:51 AM	LA-C-19-310018-R-APP
128	PUBLICUSER300442	9/3/2019 9:59:51 AM	LA-C-19-310244-R-APP
129	PUBLICUSER301140	9/3/2019 9:59:51 AM	LA-C-19-310293-R-APP
130	PUBLICUSER302623	9/3/2019 9:59:51 AM	LA-C-19-310233-R-APP, LA-C-19-310668-R-APP
131	PUBLICUSER302703	9/3/2019 9:59:51 AM	LA-C-19-310191-R-APP
132	PUBLICUSER303427	9/3/2019 9:59:51 AM	LA-C-19-310334-R-APP
133	PUBLICUSER303465	9/3/2019 9:59:51 AM	LA-C-19-310053-R-APP, LA-C-19-310345-R-APP, LA-C-19-310575-R-APP
134	PUBLICUSER303555	9/3/2019 9:59:51 AM	LA-C-19-310219-R-APP
135	PUBLICUSER303703	9/3/2019 9:59:51 AM	LA-C-19-310122-R-APP
136	PUBLICUSER304021	9/3/2019 9:59:51 AM	LA-C-19-310205-R-APP, LA-C-19-310660-R-APP
137	PUBLICUSER304237	9/3/2019 9:59:51 AM	LA-C-19-310102-R-APP
138	PUBLICUSER289418	9/3/2019 9:59:52 AM	LA-C-19-310354-R-APP
139	PUBLICUSER289494	9/3/2019 9:59:52 AM	LA-C-19-310347-R-APP



	User	Initial Sign-On	Application ID
140	PUBLICUSER289672	9/3/2019 9:59:52 AM	LA-C-19-310415-R-APP
141	PUBLICUSER290045	9/3/2019 9:59:52 AM	LA-C-19-310262-R-APP
142	PUBLICUSER290849	9/3/2019 9:59:52 AM	LA-C-19-310105-R-APP
143	PUBLICUSER292154	9/3/2019 9:59:52 AM	LA-C-19-310162-R-APP
144	PUBLICUSER292449	9/3/2019 9:59:52 AM	LA-C-19-310350-R-APP
145	PUBLICUSER292664	9/3/2019 9:59:52 AM	LA-C-19-310349-R-APP
146	PUBLICUSER292918	9/3/2019 9:59:52 AM	LA-C-19-310342-R-APP
147	PUBLICUSER294099	9/3/2019 9:59:52 AM	LA-C-19-310343-R-APP
148	PUBLICUSER295076	9/3/2019 9:59:52 AM	LA-C-19-310471-R-APP
149	PUBLICUSER296395	9/3/2019 9:59:52 AM	LA-C-19-310133-R-APP
150	PUBLICUSER296397	9/3/2019 9:59:52 AM	LA-C-19-310036-R-APP
151	PUBLICUSER297052	9/3/2019 9:59:52 AM	LA-C-19-310348-R-APP
152	PUBLICUSER299688	9/3/2019 9:59:52 AM	LA-P-19-310804-R-APP
153	PUBLICUSER301222	9/3/2019 9:59:52 AM	LA-C-19-310337-R-APP
154	PUBLICUSER301955	9/3/2019 9:59:52 AM	LA-C-19-310318-R-APP
155	PUBLICUSER302862	9/3/2019 9:59:52 AM	LA-C-19-310180-R-APP
156	PUBLICUSER303130	9/3/2019 9:59:52 AM	LA-C-19-310341-R-APP
157	PUBLICUSER288150	9/3/2019 9:59:53 AM	LA-C-19-310531-R-APP, LA-C-19-310740-R-APP
158	PUBLICUSER289230	9/3/2019 9:59:53 AM	LA-C-19-310128-R-APP, LA-C-19-310870-R-APP
159	PUBLICUSER289448	9/3/2019 9:59:53 AM	LA-C-19-310360-R-APP
160	PUBLICUSER289631	9/3/2019 9:59:53 AM	LA-C-19-310150-R-APP
161	PUBLICUSER290031	9/3/2019 9:59:53 AM	LA-C-19-310284-R-APP
162	PUBLICUSER291874	9/3/2019 9:59:53 AM	LA-C-19-310081-R-APP
163	PUBLICUSER294702	9/3/2019 9:59:53 AM	LA-C-19-310171-R-APP
164	PUBLICUSER296293	9/3/2019 9:59:53 AM	LA-C-19-310200-R-APP
165	PUBLICUSER299446	9/3/2019 9:59:53 AM	LA-C-19-310109-R-APP
166	PUBLICUSER301681	9/3/2019 9:59:53 AM	LA-C-19-310011-R-APP
167	PUBLICUSER301746	9/3/2019 9:59:53 AM	LA-C-19-310389-R-APP
168	PUBLICUSER303263	9/3/2019 9:59:53 AM	LA-C-19-310330-R-APP
169	PUBLICUSER304110	9/3/2019 9:59:53 AM	LA-C-19-310108-R-APP, LA-C-19-310697-R-APP
170	PUBLICUSER294883	9/3/2019 9:59:54 AM	LA-C-19-310336-R-APP
171	PUBLICUSER237464	9/3/2019 9:59:54 AM	LA-C-19-310210-R-APP
172	PUBLICUSER241209	9/3/2019 9:59:54 AM	LA-C-19-310134-R-APP, LA-C-19-310682-R-APP
173	PUBLICUSER242705	9/3/2019 9:59:54 AM	LA-C-19-310211-R-APP, LA-C-19-310695-R-APP
174	PUBLICUSER289015	9/3/2019 9:59:54 AM	LA-C-19-310338-R-APP
175	PUBLICUSER289415	9/3/2019 9:59:54 AM	LA-C-19-310047-R-APP



	User	Initial Sign-On	Application ID
176	PUBLICUSER290096	9/3/2019 9:59:54 AM	LA-C-19-310326-R-APP
177	PUBLICUSER297309	9/3/2019 9:59:54 AM	LA-C-19-310431-R-APP
178	PUBLICUSER301317	9/3/2019 9:59:54 AM	LA-C-19-310184-R-APP, LA-C-19-310687-R-APP
179	PUBLICUSER301682	9/3/2019 9:59:54 AM	LA-C-19-310186-R-APP
180	PUBLICUSER301954	9/3/2019 9:59:54 AM	LA-C-19-310232-R-APP, LA-C-19-310706-R-APP
181	PUBLICUSER304101	9/3/2019 9:59:54 AM	LA-C-19-310237-R-APP, LA-C-19-310654-R-APP
182	PUBLICUSER304212	9/3/2019 9:59:54 AM	LA-C-19-310096-R-APP
183	PUBLICUSER304264	9/3/2019 9:59:54 AM	LA-C-19-310527-R-APP, LA-C-19-310678-R-APP, LA-C-19-310179-R-APP
184	PUBLICUSER238475	9/3/2019 9:59:55 AM	LA-C-19-310557-R-APP
185	PUBLICUSER289139	9/3/2019 9:59:55 AM	LA-C-19-310196-R-APP, LA-C-19-310701-R-APP
186	PUBLICUSER290517	9/3/2019 9:59:55 AM	LA-C-19-310426-R-APP
187	PUBLICUSER291600	9/3/2019 9:59:55 AM	LA-C-19-310308-R-APP
188	PUBLICUSER295940	9/3/2019 9:59:55 AM	LA-C-19-310428-R-APP, LA-C-19-310438-R-APP
189	PUBLICUSER296384	9/3/2019 9:59:55 AM	LA-C-19-310251-R-APP
190	PUBLICUSER296503	9/3/2019 9:59:55 AM	LA-C-19-310028-R-APP
191	PUBLICUSER298841	9/3/2019 9:59:55 AM	LA-C-19-310058-R-APP, LA-C-19-310104-R-APP, LA-C-19-310412-R-APP, LA-C-19-310610-R-APP, LA-C-19-310632-R-APP, LA-C-19-310699-R-APP, LA-C-19-310816-R-APP, LA-C-19-310817-R-APP
192	PUBLICUSER300431	9/3/2019 9:59:55 AM	LA-C-19-310380-R-APP
193	PUBLICUSER302627	9/3/2019 9:59:55 AM	LA-P-19-310873-R-APP
194	PUBLICUSER303929	9/3/2019 9:59:55 AM	LA-C-19-310395-R-APP
195	PUBLICUSER304145	9/3/2019 9:59:55 AM	LA-C-19-310208-R-APP
196	PUBLICUSER289390	9/3/2019 9:59:46 AM	LA-C-19-310542-R-APP
197	PUBLICUSER290017	9/3/2019 9:59:56 AM	LA-C-19-310050-R-APP
198	PUBLICUSER292357	9/3/2019 9:59:56 AM	LA-C-19-310071-R-APP
199	PUBLICUSER295364	9/3/2019 9:59:56 AM	LA-C-19-310429-R-APP
200	PUBLICUSER289360	9/3/2019 9:59:57 AM	LA-C-19-310320-R-APP,
201	PUBLICUSER296105	9/3/2019 9:59:57 AM	LA-C-19-310446-R-APP
202	PUBLICUSER300151	9/3/2019 9:59:57 AM	LA-C-19-310019-R-APP
203	PUBLICUSER245868	9/3/2019 9:59:58 AM	LA-C-19-310015-R-APP
204	PUBLICUSER280158	9/3/2019 9:59:58 AM	LA-C-19-310201-R-APP
205	PUBLICUSER289478	9/3/2019 9:59:58 AM	LA-C-19-310230-R-APP
206	PUBLICUSER290024	9/3/2019 9:59:58 AM	LA-C-19-310085-R-APP
207	PUBLICUSER293733	9/3/2019 9:59:58 AM	LA-C-19-310161-R-APP
208	PUBLICUSER296064	9/3/2019 9:59:58 AM	LA-C-19-310357-R-APP

	User	Initial Sign-On	Application ID
209	PUBLICUSER299682	9/3/2019 9:59:58 AM	LA-C-19-310500-R-APP
210	PUBLICUSER299705	9/3/2019 9:59:58 AM	LA-P-19-310267-R-APP
211	PUBLICUSER300580	9/3/2019 9:59:58 AM	LA-C-19-310077-R-APP
212	PUBLICUSER242226	9/3/2019 9:59:59 AM	LA-C-19-310317-R-APP
213	PUBLICUSER245485	9/3/2019 9:59:59 AM	LA-C-19-310355-R-APP
214	PUBLICUSER288782	9/3/2019 9:59:59 AM	LA-C-19-310522-R-APP
215	PUBLICUSER290635	9/3/2019 9:59:59 AM	LA-C-19-310391-R-APP
216	PUBLICUSER290738	9/3/2019 9:59:59 AM	LA-C-19-310458-R-APP, LA-C-19-310778-R-APP
217	PUBLICUSER291937	9/3/2019 9:59:59 AM	LA-C-19-310197-R-APP
218	PUBLICUSER293288	9/3/2019 9:59:59 AM	LA-C-19-310383-R-APP
219	PUBLICUSER294212	9/3/2019 9:59:59 AM	LA-C-19-310541-R-APP
220	PUBLICUSER294262	9/3/2019 9:59:59 AM	LA-C-19-310190-R-APP, LA-C-19-310465-R-APP
221	PUBLICUSER300061	9/3/2019 9:59:59 AM	LA-C-19-310269-R-APP
222	PUBLICUSER301747	9/3/2019 9:59:59 AM	LA-P-19-310577-R-APP
223	PUBLICUSER303050	9/3/2019 9:59:59 AM	LA-C-19-310103-R-APP
224	PUBLICUSER303425	9/3/2019 9:59:59 AM	LA-C-19-310220-R-APP
225	PUBLICUSER303577	9/3/2019 9:59:59 AM	LA-C-19-310143-R-APP
226	PUBLICUSER304004	9/3/2019 9:59:59 AM	LA-C-19-310187-R-APP